

BEFORE THE
TENNESSEE STATE BOARD OF EQUALIZATION

<i>In Re:</i> John R. Knight)	
Ward 28, Block 40, Parcel 53)	
Residential Property)	Shelby County
Tax year 2005)	

INITIAL DECISION AND ORDER

Statement of the Case

The Shelby County Board of Equalization has valued the subject property for tax purposes as follows:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$232,300	\$717,700	\$950,000	\$237,500

On February 13, 2006, the property owner filed an appeal with the State Board of Equalization ("State Board").

The undersigned administrative judge conducted a hearing of this matter on April 5, 2006 in Memphis. The property owner was represented by his wife, Joyce K. Wethington. Staff appraiser Teri Brandon appeared on behalf of the Shelby County Assessor of Property.

Findings of Fact and Conclusions of Law

The 1.05-acre parcel in question is located at 32 Morningside Place, in the midtown portion of Memphis. Situated on this lot is a two-story, brick-veneer dwelling that was built some 85 years ago. Above the detached garage on the premises is space that was once living quarters, but is not now habitable.

Mr. Knight, a former Houston resident, purchased the subject property on October 17, 2002 for \$900,000. Subsequently, he added a swimming pool and refinished the flooring. But the kitchen has not been updated; and the roof, downstairs ceiling, and stairwell are still in need of repairs. According to the Assessor's current records, this house contains 7,465 square feet of living area.

On the State Board appeal from, Ms. Wethington estimated the value of the subject property as of the January 1, 2005 reappraisal date to be \$700,000.¹ In her testimony at the hearing, she referred to a list of purportedly comparable properties that had previously been submitted as "Exhibit A" to the letter accompanying the appeal form. The sale prices for the homes listed in that exhibit ranged from \$530,000 to \$719,000.

¹In a letter dated July 29, 2005 and attached to the appeal from, Mr. Knight stated that the Assessor's office had revalued the property at \$757,900 in tax year 2004 (following the addition of the swimming pool).

Based on her own comparative sales analysis as well as a recent inspection of the subject property, the Assessor's representative recommended that its appraised value be reduced to \$906,000 -- \$195,000 below the amount of the original reappraisal.

Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values...."

Since the taxpayer seeks to change the present valuation of the subject property, he has the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

Respectfully, the administrative judge finds insufficient justification for a lower valuation than that suggested by the Assessor's representative. It is understood that, as a newcomer to the Memphis area, the appellant may have paid more for the subject property than it was actually worth at the time. However, that transaction occurred over two years prior to the relevant assessment date; and some improvements were made to the home during that period. Further, in response to the administrative judge's question, Ms. Wethington was uncertain whether her husband's comparables could fairly be considered better evidence of value than the higher-priced ones in the same vicinity identified by Ms. Brandon. In this regard, it should also be noted that the Assessor's comparative sales grid included more detailed information concerning the physical characteristics of the selected properties.

Order

It is, therefore, ORDERED that the following values be adopted for tax year 2005:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$232,300	\$673,700	\$906,000	\$226,500

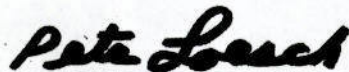
Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **"must be filed within thirty (30) days from the date the initial decision is sent."** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **"identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order";** or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is

requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 27th day of April, 2006.



PETE LOESCH
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Joyce K. Wethington
Tameaka Stanton-Riley, Appeals Manager, Shelby County Assessor's Office
Rita Clark, Assessor of Property

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